



Legislative Bulletin.....July 19, 2001

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H.J.Res. 50—Disapproving the extension of the waiver authority contained in section 402(c) of the Trade Act of 1974 with respect to the People's Republic of China.

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Order of Business: The resolution is expected to be considered on Thursday, July 19, pursuant to unanimous consent. The resolution is not amendable except to add or subtract country names.

Summary: The resolution states that Congress does not approve the extension (with respect to the People's Republic of China) of the presidential authority to waive for one year a nonmarket economy country's ineligibility for normal trade relations (i.e. nondiscriminatory trade treatment) and credit extensions because of restrictions on the freedom to emigrate. That is, this resolution would prevent President Bush from extending normal trade relations (NTR) to China for another year. (Such waiver authority for the President is contained in section 402(c) of the Trade Act of 1974.)

Additional Background: Last year, Congress approved permanent normal trade relations (PNTR) with China (PL 106-286). This law ends the need for the *annual* review of trade relations with China once China is accepted into the World Trade Organization (WTO), which has not yet occurred. (Therefore, an annual waiver is still necessary.)

President Bush requested this extension of waiver authority from Congress on June 1, 2001, which would allow for NTR to continue with China, despite China's emigration and other restrictions on its people (what would otherwise be required to grant NTR to a nonmarket economy nation). If Congress does not pass a resolution of disapproval within 60 days after July 2 (the annual expiration date of NTR), the President's extension request automatically takes effect.

On Thursday, July 12, 2001, the Committee on Ways and Means by voice vote ordered adversely reported this resolution. This adverse reporting effectively supports the President's request to grant NTR for China from July 3, 2001 to July 2, 2002.

Cost to Taxpayers: The resolution authorizes no expenditure.

Does the Bill Create New Federal Programs or Rules? No, it would disapprove President Bush's proposal to extend NTR for China for another year.

Constitutional Authority: Though no committee report citing constitutional authority is available, Article I, Section 8, Clause 3 grants Congress the power "to regulate Commerce with foreign Nations...."

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